



INTERNATIONAL ATOMIC ENERGY AGENCY

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Division of Personnel

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File Reference (Please quote in return correspondence):

Subject: Agency policies and procedures applicable to the employment of Cost-Free Experts

Dear Mr. Warden,

Reference is made to your recent telephone conversation with Mrs. Murielle Mrabit.

As requested, we are pleased to send you herewith policies and procedures applicable to the employment of Cost-Free Experts in connection with the possible employment of Ms. Patricia Bryant in such a capacity.

Please do not hesitate to contact Ms. Mrabit or myself for any question you may have on that subject.

Catherine Monzel

Head

Recruitment and Staff Development Section - Division of Personnel

COST-FREE EXPERTS

Cost-free Experts (CFEs) are persons provided by donor States or institutions at no or only partial cost to the Agency to perform specific tasks for which no resources are available within the Secretariat. CFEs shall not be engaged in a managerial, supervisory, representative, policy formulating or decision making capacity or for functions that may lead to a collusion between the CFE and the donor State or institution, or that may lead to a conflict of interest between the Agency and the donor State or institution.

CFEs may be provided by donors under any of the following arrangements:

- (a) The CFE is paid by the Agency in accordance with his/her terms of appointment and the donor reimburses the Agency for all costs incurred, with the exception of those relating to any travel on official business that may become necessary (Type A);
- (b) The CFE is paid directly by the donor and there are no financial obligations by the Agency vis-à-vis the CFE or the donor, with the exception of any travel costs that may arise for travel on official business (Type B);
- (c) The costs of employment of the CFE are shared between the Agency and the donor in such a way that the Agency pays the CFE the benefits mutually agreed upon, while the donor continues to provide to the CFE any other benefits to which he/she may be entitled under the arrangement with the donor (Type C).

The CFEs/Type A, referred to in para. 7 (a) above, will be appointed as staff members with fixed-term contracts. They will be given all the benefits and entitlements accruing under the Provisional Staff Regulations and the Staff Rules unless specified otherwise in their letters of appointment, as indicated below. They will be accorded a grade level to be determined on the basis of their anticipated level of responsibilities and duties in the Agency, as well as their qualifications. Their letters of appointment shall include all the elements listed in Staff Regulation 3.05 and, in addition, contain the following special conditions:

- (a) The appointment does not carry any expectation of or right to extension, renewal or conversion to any other type of appointment. It is funded through extra budgetary resources and may, subject to the relevant Staff Regulations, be terminated prior to its expiry date if the necessary extra budgetary funds are not available;
- (b) Any national income tax levied on the CFE's income from the Agency shall only be reimbursable by the Agency if such reimbursement is explicitly covered in the agreement between the Agency and the donor;
- (c) If the CFE is authorized to continue participation in a national governmental pension insurance scheme or that of his/her previous employer and the Agency has agreed to contribute towards this plan, the CFE shall be expressly excluded from participation in the United Nations Joint Staff Pension Fund (UNJSPF).

The CFEs/Type B and Type C, referred to in paras 7(b) and 7(c) above, will be engaged in accordance with the specimen Special Service Agreement (SSA) set out in Annex I to this Section, with the following special condition:

The CFE will receive his/her emoluments and any other compensation or benefits to which he/she is entitled from the donor. He/she shall, therefore, receive from the Agency no remuneration or only partial remuneration in the amount set out in his/her SSA.

CFEs/Types B and C may be granted annual and sick leave under the same conditions as CFEs/Type A if the agreement concluded between the Agency and the donor so provides.

CFEs may be granted the status of an "Official" in accordance with Article XV of the Headquarters Agreement and Article VI of the Agreement on the Privileges and Immunities of the Agency, as determined by the Agency.

Requests for the provision of CFEs shall be communicated by Department Heads to the donors concerned with a task definition, a description of the expertise required and an outline of the terms and conditions under which the provision of a CFE would be acceptable to the Agency. Questions relating to the status and conditions of employment of CFEs that may arise shall be referred to the Division of Personnel (MTPR) before an agreement is reached

with the donor or the CFE. Likewise, consultations on any financial questions shall be held with the Division of Budget and Finance (MTBF) before the conclusion of an agreement.

Once an agreement has been reached between the Department and the donor, the Department Head shall refer the proposal for the appointment of the CFE, with detailed information as required by DIR-MTPR, to MTBF for collecting the donor's contribution and to MTPR for recruitment action. The agreement shall normally allow for at least one month between the date of the agreement and the planned entry-on-duty date, to enable MTBF and MTPR to make the necessary administrative arrangements. MTBF shall clear the proposal upon arrival of sufficient funds, or authorize transfer of funds from other sources. Funds shall be considered sufficient if they cover at least three months of the initial salary and common staff costs for the CFE in question. Exceptions will require the approval of DIR-MTBF. MTPR will review the proposal for compliance with the established policies, obtain the necessary authorization and take the required recruitment action. The authority to decide on the appointment, extension and promotion of CFEs at the levels of P-1 to P-5 for a total period not exceeding one year has been delegated to DDG-MT, in consultation with the Deputy Director General (DDG) concerned.

The same procedure as outlined in paras 11 and 12 above shall be followed in case of an extension of the period of service of the CFE.

The employment of a CFE shall be limited to the period for which funds have been committed by the donor and, in any event, shall normally not exceed three years. The employment of a CFE shall not require the provision of additional support staff by the Agency unless the donor is prepared to absorb the cost.



TERMS AND CONDITIONS FOR THE ACCEPTANCE BY THE AGENCY OF COST-FREE EXPERTS

INTRODUCTION

1. Because of budgetary constraints the Agency depends, for a number of tasks, on extra-budgetary resources. One important scheme for obtaining personnel outside the regular budget is the Cost-free Expert (CFE) scheme. CFEs are persons provided by donor States or institutions at no or only partial cost to the Agency to perform functions similar to those regularly performed by staff members and for which no resources are available within the Secretariat.
2. The purpose of this note is to outline the terms and conditions under which offers for CFEs will be accepted by the Agency.

TYPES OF CFE

3. The Agency offers three different types of arrangements for CFEs:
 - Type A The donor reimburses the Agency fully for all costs incurred and the CFE is engaged by the Agency under a special fixed-term contract and paid the salary, benefits and entitlements of a regular staff member.
 - Type B There are no financial obligations for the Agency *vis-à-vis* the CFE or the donor, with the exception of travel costs that may arise for travel on official business on behalf of the Agency; and the CFE is engaged by the Agency under a special service agreement and receives his/her salary, benefits and entitlements from the donor.
 - Type C This is a modification of the type B arrangement above, whereby the cost of employment of the CFE is shared between the Agency and the donor. The Agency's obligation is usually limited to a daily subsistence allowance, and the donor provides to the CFE the salary and any other benefits and entitlements to which he/she may be entitled by virtue of his/her national employment contract.
4. It is normally the donor's choice to determine which of the above arrangements is to be utilized. However, if the CFE is to be engaged in the Department of Safeguards, and if his/her work requires him/her to have access to information classified "Safeguards Confidential", he/she can only be employed under a type "A" arrangement, in view of the provisions of INFCIRC/66/Rev.2, and INFCIRC/153 governing the protection and non-disclosure of information obtained in the implementation of safeguards agreements.

CONDITIONS OF EMPLOYMENT

5. The most common type of arrangement is A, under which the status of the CFE is assimilated to that of a regular staff member. He/she will be accorded a grade level, in the salary scales for staff in the Professional and higher categories, which is commensurate with his/her qualifications and the duties and responsibilities he/she is expected to perform for the Agency. The starting salary is normally the salary in step 1 of the relevant scale for the grade. An outline of other benefits which may be applicable is available upon request from the Division of Personnel (MTPR). Since the employment of a CFE is always for a limited duration, CFEs are advised to make arrangements for the extension of their national or private pension and health insurance coverage during their work for the Agency. However, upon request, coverage may be provided by the Agency in the UN Joint Staff Pension Fund (vesting period is five years) and the Agency medical insurance plans. If taxes are levied on the CFE's income paid to him/her through the Agency, he/she will be reimbursed for them only if the donor makes a commitment to reimburse the Agency in turn.

Responsible office: MTPR

6.¹ For type B and C arrangements, the Agency expects the donor to pay the CFE his/her salary and any other benefits and entitlements directly, unless agreed upon otherwise, and to provide for pension and health insurance coverage. If need be, the Agency could provide health insurance coverage through a local insurance company at the expense of the CFE or the donor. If the donor agrees to provide for a leave entitlement, two and a half days of annual leave and two days of sick leave, will be granted for each month of service with the Agency. Accrued leave is not commutable.

7. Employment as a CFE, regardless of the type of arrangement, does not carry any expectation of renewal, extension or conversion into any other type of contract with the Agency. It is strictly limited to the period agreed upon with the donor and for which the necessary funds have been provided.

STATUS OF CFES

8. Type A CFES are considered to be "officials" of the Agency, and type B and C CFES may be so considered as determined by the Agency, in accordance with Article XV of the Headquarters Agreements between the Republic of Austria and the Agency and Article VI of the Agreement of the Privileges and Immunities of the Agency.

9. During their employment with the Agency, CFES are under the authority of the Director General and they shall neither seek nor accept instructions from any Government or from any authority external to the Agency. They must not engage in any activity which is incompatible with their status as employees of the Agency or the proper performance of their duties for the Agency.

FINANCIAL ARRANGEMENTS

10. Donors are required to make a written commitment that they will cover all costs associated with the type of arrangement selected, as shown in para. 3 above. Before a contract offer can be given, sufficient funds in cash have to be made available by the donor, to meet the Agency's obligation towards the employment contract in question.

11. Suitable financial arrangements will be made by the Agency's Division of Budget and Finance (MTBF) with the donor, to secure the funding of CFE contracts throughout their duration. Donors should contact MTBF early on to settle any financial questions in this connection. When scheduling a CFE's entry on duty date, sufficient time should be allowed, i.e. at least one month from the date of the financial agreement with the donor, to enable the Agency to make the necessary administrative arrangements.

12. If, under a type A arrangement, the donors, in spite of their earlier commitment, fail to provide the necessary funds, the Agency will terminate the contract with the CFE and charge the donor all termination costs.

13. If, at the expiration of contract of a CFE, engaged under a type A arrangement, the CFE is offered a regular fixed-term contract by the Agency, the donor will be charged the cost of the accrued liability for commutation of accrued annual leave and for repatriation grant but not for separation travel and removal of household effects.

14. If a regular staff member, at the expiration of his/her contract, is offered a CFE contract by a donor, the donor will be charged with the cost of separation travel and removal of household effects but not for the accrued liability for commutation of accrued annual leave and for repatriation grant under the regular contract.

¹ Effective 11 December 1991.

RECRUITMENT PROCEDURE

15. The Department of the Agency which wants to engage a CFE, will approach the potential donor with a task definition and a description of the expertise sought. This will also include an indication of the grade level corresponding to the anticipated level of responsibilities and duties of the CFE in the Agency.
16. If the donors are prepared to provide a CFE to the Agency, they will nominate a candidate or, if possible, more than one candidate. Donors will also notify the Agency of the type of arrangements of which they would like to avail themselves, and make a commitment that they accept these Terms and Conditions for the Acceptance by the Agency of CFEs. Any questions relating to employment conditions, contractual status and the like should be clarified at an early date with the Agency's Division of Personnel (MTPR).
17. Afterwards, the Division of Personnel will obtain the necessary internal authorization and make the contractual arrangements with the CFE. CFEs will not be subject to the policy of geographical distribution and will not count towards the donor state's desirable range. However, they will be reported in the annual personnel statistics if the period of employment exceeds six months.

Responsible office: MTPR